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WELFARE REFORM CONFERENCE COMMITTEE WRAPS UP

The Legislature's Welfare Reform Conference Committee, composed of nine Senators and nine Assemblymembers, 12 Democrats and six Republicans, has completed its deliberations. The Committee has yet to approve a full conference report, the next step to sending a full package to the floor of each house. It is unclear whether the Committee's work product will emerge as a single bill or multiple bills. In all, over 140 items were agreed upon. The following summarizes key issues that gained at least 12 votes in the Welfare Reform Conference Committee. This report draws on summaries prepared by legislative staff and notes taken at Conference Committee hearings. In many cases, available reports are sketchy. Since bill language is not yet available, details are subject to change or future clarification.

Time Limits And Work Requirements

- Establishes an 18-month time limit beginning when a recipient starts receiving welfare-to-work services after an initial three months of job search. Time limits can be extended for an additional six months if the extension is likely to lead to unsubsidized employment and for up to a year, at county discretion, if the local job market is limited. Counties have discretion to allow additional time for those with significant treatment needs.
- Allows exemptions from time limits when there is a lack of supportive services; for caretaker relatives; for persons with a disability, illness, or incapacity; and for Cal Learn participants. Months when child support equals or exceeds the cost of cash benefits do not count toward the time limit.
- Refers recipients to a case manager - after initial three month job search - for assessment and consultation to determine specific work, training, education activities, and support services. After completion of three months of job search, 18 months of services, plus an additional six months at county option, a community service placement will be used as a last resort.
- Permits exemptions from GAIN for women in the third trimester of pregnancy; persons who are disabled or caring for a disabled person; all nonaided caretaker relatives and caretaker relatives who care for children who are wards or dependents of the court, are over 50, or where the county determines that there is a risk of placement in foster care; teen parents participating in Cal Learn; students making good progress in a program leading to employment; and single parents working at least 20 hours per week. Counties may require 10 hours of job search for single parents working at least 20 hours per week. A lack of transportation counts as a good cause exemption for nonparticipation. Victims of domestic violence would be exempt if participation would be detrimental or unfairly penalize the individual or family.
- Exempts parents with a child less than two years of age from work activities and does not count this time toward time limits. This two-year exemption applies only to a family's first child. A four-month provision would apply to the second child.
- Exempts parents with a child up to age 11 from work activities if child care is unavailable.

Eligibility And Benefits

- Rejects the Governor's proposals to consider truancy, child immunizations, and paternity establishment as conditions of eligibility. Women who refuse to cooperate in paternity establishment will be sanctioned.
- Establishes a \$75 child support disregard. Creates a child support assurance program for families with existing child support orders.
- Continues grant levels at the same level after time limits are exhausted, provided recipients are participating in required work activities and fully cooperating with program rules.
- Revises the earned income disregard structure so that the first \$350 of unearned or earned income and 50 percent of remaining income are ignored, but eliminates "fill-the-gap" budgeting.
- Allows a family to own one vehicle of any value and a second vehicle with a value up to \$4,500 and still be eligible for assistance. Current law allows applicants to own one vehicle worth up to \$2,500 and recipients to own a vehicle worth up to \$4,500. In addition, Temporary Assistance for Needy Families (TANF) and Food Stamp eligibility rules are aligned to simplify the eligibility process.
- Authorizes diversion payments to help families avoid the need for welfare. A diversion payment is a lump sum amount provided to a family to allow them to pay for car repairs or other needs to avoid going onto aid.
- Makes qualified legal immigrants who enter the US after August 22, 1996 and immigrant victims of domestic violence who are married to a legal permanent resident or citizen eligible for state funded AFDC/TANF benefits.

Support Services

Child Care

- Eliminates the child care disregard, replacing it with a direct payment system with counties paying providers directly.
- Proposes a three stage program for provision of child care services for TANF recipients:
 - Stage I:** A capped entitlement for a period of six months, managed by county welfare departments.
 - Stage II:** A capped entitlement administered by agencies contracting with the State Department of Education (SDE), for the period that the child's parent is in training, working and receiving aid, or transitioning off assistance.
 - Stage III:** For TANF recipients who secure stable employment and those who have been diverted from assistance, child care will be paid through the fund that currently pays for subsidized care for the working poor.
- Outlines membership criteria and responsibilities of local child care planning councils including prioritizing local child care needs, designing a system to consolidate waiting lists, and submitting a local child care plan.

Mental Health And Substance Abuse

- Allocates \$20 million General Fund to counties to cover nonfederal costs of mental health assessment, case management, and treatment for TANF recipients.
- Allocates \$20 million to counties for substance abuse services provided pursuant to a recipient's employability plan and increases the availability of drug and alcohol treatment programs.

Transportation/Transit

- Requires local transit providers and county welfare agencies to coordinate activities. When funds are available, priority must be given to transit for welfare to work. The Department of Social Services (DSS) is required to include transit operations in the state plan process. Tax credits are proposed for businesses that provide transportation to employees who are welfare recipients.

Domestic Violence

- Adopts the federal definition of domestic violence, with the addition of stalking. The DSS, County Welfare Directors' Association (CWDA), and District Attorneys' Association are required to develop a state protocol for handling domestic violence cases and a training curriculum for workers.

Transitional Medi-Cal

- Simplifies the enrollment procedure and form for the Transitional Medi-Cal program. The Department of Health Services must modify the waiver request submitted to the federal government in order to allow people leaving welfare to receive transitional Medi-Cal for 24 months instead of 12.

Jobs: Training, Placement, And Creation

- Fully funds GAIN so that all eligible persons can be served.
- Attempts to address disparities in GAIN funding across counties. One-third of funds above 1996-97 levels are allocated to counties that have been most severely underfunded and two-thirds are allocated in proportion to each county's share of aided adults.
- Targets expansion of One-Stop Career Centers to areas of the state with high caseloads and requires the Employment Development Department (EDD) to develop and coordinate a state system for job listings that can be accessed at the Centers.
- Requires counties and local or regional organizations to collaborate on job creation.
- Requires that local labor market conditions be considered in the GAIN assessment process.
- Allows welfare recipients to establish savings accounts (Individual Development Accounts) for qualified purposes including education, job training, capitalization of a business, and purchase of a home.
- Designates community college funding for customized training for existing workers to allow them to advance, leaving entry level positions open for welfare recipients.
- Enhances funding for non-credit classes with above average costs at community colleges and establishes a collaborative process in which local adult education providers agree on the allocation of additional education funding.
- Lifts enrollment caps on adult education, ROC/Ps, and non-credit community college funding to increase the number of TANF enrollees after growth and cost of living adjustments are provided in the budget. Pays for additional students with Proposition 98 funds.
- Authorizes the Infrastructure Bank to assist in funding job-creating infrastructure by allowing local governments to sell construction bonds using the state's lower interest rate. The bonds would be used by local governments to build roads, sewers, and water mains and make other needed infrastructure improvements.

Safety Net

General Assistance

- Requires the state to pay 30 percent of a county's General Assistance (GA) grant costs and 15 percent of administrative costs. A county's share of costs will not exceed 70 percent of the amount expended by the county for non-health benefits in 1996-97. The state will also implement a standard grant structure and eligibility criteria. Counties have the option to participate. If a county opts to participate, benefits must be paid for all 12 months of the year.

Food Stamps/ABAWDs

- Requires the Department of Social Services to request all waivers available under federal law from USDA in order to reduce the impact of the food stamp cuts on able-bodied adults without dependents (ABAWDs). The USDA approved temporary waivers for 42 counties and 22 sub-county areas.

SSI/SSP Children

- Establishes a state-only SSI/SSP program to provide benefits for children who lose eligibility due to changes in the definition of a qualifying disability.

Legal Immigrants

- Establishes a state-only SSI/SSP program to provide benefits to elderly legal immigrants losing benefits based on their immigration status. The purpose of this proposal is to provide SSI/SSP benefits to those legal immigrants who do not have their SSI/SSP benefits restored as part of the federal budget agreement.
- Provides IHSS benefits to elderly legal immigrants who would be eligible for SSI/SSP absent the restrictions in the federal law.
- Establishes a state-only or state-local Food Stamp replacement program to provide benefits for legal immigrants by buying back Food Stamp coupons from the USDA, if permitted under federal law.
- Provides citizenship assistance to legal immigrants.

Governance and Administration

- Makes TANF recipients automatically eligible for Food Stamps and Medi-Cal, in an effort to simplify the eligibility process.
- Prohibits contracting-out of TANF services currently performed by public sector workers. Permits contracting-out of services to the extent allowed under current law.
- Requires a statewide data system and redesigned case management systems to track recipients' time on aid and provide caseworkers with better and more timely access to information. Also, a single statewide electronic benefit transfer system will be developed for TANF, Food Stamps, WIC, and General Assistance.
- Denies benefits for 10 years to individuals making fraudulent statements to obtain aid in more than one state, applying for aid for fictitious children, and making false statements that lead to obtaining aid in excess of \$10,000. The period of ineligibility would end with the restitution of the illegally obtained benefits.
- Appropriates \$141 million in TANF funds to enact the Comprehensive Youth Services Act. The funds will be used by county probation departments to provide family focused services for at-risk youth and youthful offenders.

Support For The Working Poor

- Allows families leaving welfare for work to receive subsidized child care until their income reaches 75 percent of the state median income or 200 percent of the poverty threshold.
- Establishes a refundable state Earned Income Tax Credit equal to 15 percent of the federal credit for filers with dependent children, provided that there is no fiscal impact until 1998-99.
- Modifies the Unemployment Insurance system to increase accessibility for low wage workers by allowing for an alternate base period, lowering the minimum qualifying earnings, increasing the wage replacement rate, and providing \$25 per week per dependent.

Sources: Senate Majority Whip fax updates, *Conference Committee Actions Through 6/4/97* and *Final Summary of Conference Committee Actions*; Senate e-mail update, *Final Summary of Welfare Conference Committee Actions*, June 12, 1997, prepared by David Maxwell-Jolly, Senate Appropriations; and Welfare Reform Conference Committee "Landscapes."